

Amendment No. 2 to HB3002

**Ridgeway
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 69, Chapter 8, is amended by adding Sections 2 through 10 as a new part.

SECTION 2. This act shall be known as the "Inter-Basin Water Transfer Act."

SECTION 3. The general assembly finds that as the population and demand for water resources grow, it is prudent to engage in planning for the future and to have an explicit mechanism in place to regulate proposals for the diversion of water from one river basin to another. By removing water from rivers, such inter-basin transfers raise issues of the protection of the public health, safety, welfare and the environment as the water is no longer available for use in the original stream. The primary purpose of this act is to allow regulation on the basis of the quantity of water in river basins. Although the common law addresses some of these concerns, it relies on after-the-fact litigation rather than a modern regulatory system. As this is remedial and police power legislation, all sections of this act shall be liberally construed to effectuate its purpose.

SECTION 4. For purposes of this act, the term "basin" or "river basin" shall refer to the entire topographic extent of the following ten (10) watersheds and combinations of watersheds:

(a) The Mississippi River and all of its tributaries west of the Tennessee River Valley;

(b) The Duck River, the Elk River; and the western Tennessee River Valley;

Amendment No. 2 to HB3002

Ridgeway
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

(c) The lower Cumberland River to the downstream point of the mouth of the Caney Fork River, the Harpeth River and the Stones River;

(d) The tributaries of the Barren River;

(e) The upper Cumberland River, the Caney Fork River, the Obey River, and the Big South Fork of the Cumberland River;

(f) The lower Tennessee River in East Tennessee up to and including the Hiwassee River;

(g) The Conasauga River;

(h) The upper Tennessee River in East Tennessee upstream of the Hiwassee, the Little Tennessee River, the Clinch River, and the Emory River;

(i) The French Broad River and the Nolichucky River; and

(j) The Holston River and the Watauga River.

SECTION 5. (a) All persons or entities:

(1) That have been granted powers by the state of Tennessee to acquire water, water rights, and associated property by eminent domain or condemnation; or

(2) That acquire or supply water for the use or benefit of public water systems, as defined in Section 68-221-703,

shall, when proposing a new or increased withdrawal of surface water or ground water for the purpose of transferring or diverting some or all of it between river basins, where the loss of such ground water has a significant potential to adversely affect the flow of a Tennessee surface water, first apply for and obtain

Amendment No. 2 to HB3002

**Ridgeway
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

a permit from the commissioner of environment and conservation, or his designee, prior to such diversion or transfer. For purposes of determining the amount of an existing inter-basin transfer under this section, it is the average daily amount calculated for the highest continuous ninety (90) day period between January 1, 1997 and December 31, 1999; provided, that nothing in this section shall apply to existing withdrawals by entities described above except that such persons or entities shall be subject to this section when proposing either to increase the amount of water withdrawn or to locate a new intake for withdrawal, when some or all of the water will be transferred to a different river basin.

(b) All persons or entities that are issued a permit under subsection (a) shall operate the withdrawal activity in accordance with all terms and conditions of the permit.

SECTION 6. In addition to powers under all other statutes, including but not limited to the Water Quality Control Act of 1977, Section 69-3-101 et seq., and the Tennessee Safe Drinking Water Act of 1983, Section 68-221-701 et seq., the commissioner of environment and conservation, or his designee, shall have the powers and duties under this act to:

- (1) Issue and to deny inter-basin transfer permits in accordance with Section 7;
- (2) Issue civil penalty assessments in accordance with Section 9;
- (3) Conduct inspections and investigations;

Amendment No. 2 to HB3002

**Ridgeway
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

(4) Bring suit in the name of the department for any violation of the provisions of this act including seeking any remedy available under this act as well as any other statutory or common law remedy related to water availability and supply;

(5) Require the submission of plans, specifications, technical reports, and any other information he deems necessary to carry out the provisions of this act;

(6) Delegate any of his duties to the director of the appropriate division under his supervision; and

(7) Be the primary administrative agent in carrying out the provisions of this act.

SECTION 7. (a) The commissioner of environment and conservation shall issue or deny any permit applied for pursuant to Section 5 in accordance with the provisions of this act and the rules adopted by the water quality control board under Section 8 and any applicable provisions of the Water Quality Control Act of 1977, Section 69-3-101 et seq., and rules promulgated thereunder. Such permits shall be issued for a renewable term of five (5) years and contain necessary and appropriate conditions to accomplish the purposes of Section 8 of this act and the Water Quality Control Act of 1977.

(b) The commissioner of environment and conservation shall, to the maximum extent feasible, combine the permit application and issuance processes for a withdrawal activity that requires permits under this act and the Water Quality Control Act of 1977.

Amendment No. 2 to HB3002

Ridgeway
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

(c) The commissioner of environment and conservation may revoke, suspend, or modify any permit for the following reasons:

(1) Violation of any terms or conditions of the permit or of any provision of this act;

(2) Obtaining the permit by misrepresentation or failing to disclose fully all relevant facts; or

(3) A change in any condition that requires either a temporary or permanent reduction or elimination of the permitted inter-basin transfer because of reasonably likely adverse impacts to downstream users or the environment.

(d) Any person aggrieved by the denial of a permit or the imposition of a permit condition may appeal such matter to the water quality control board by filing an appeal petition with the commissioner of environment and conservation within thirty (30) days of the issuance or denial of the permit.

SECTION 8. In addition to powers under all other statutes, including but not limited to the Water Quality Control Act of 1977, Section 69-3-101 et seq., and the Safe Drinking Water Act of 1983, Section 68-221-701 et seq., the water quality control board, created by Section 69-3-104, shall:

(1) Promulgate rules to be effective by October 1, 2000 to effectuate the purposes of this act including but not limited to:

(A) Defining necessary terms;

Amendment No. 2 to HB3002

**Ridgeway
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

(B) Setting criteria for permit issuance and denial as well as for permit conditions, taking into account all appropriate factors including, but not limited to, existing uses downstream of a proposed withdrawal, low flow conditions, classified uses of the stream under the Water Quality Control Act of 1977, climatic conditions, alternatives to the proposed withdrawal, the number of downstream river miles from which water will be diverted as a result of the transfer, quantity of a proposed withdrawal, and quantity and location of water returned; and

(C) Establishing procedures for permit issuance, including application fees for permits under this act, categories of withdrawals for which general permits would be appropriate, requirements for public notice, including notice to potentially affected communities and water users, opportunity for public comment and public hearings.

(2) Hear appeals from assessments of civil penalties; and

(3) Hear appeals from permit applicants over conditions imposed or permits denied.

SECTION 9. (a) The commissioner of environment and conservation may assess civil penalties for any violation of this act of up to ten thousand dollars (\$10,000) per day per violation. In making such assessments, the commissioner shall consider all appropriate factors including, without limitation, whether the violation was knowing or intentional, any actual harm to people or the environment resulting from the violation or

Amendment No. 2 to HB3002

**Ridgeway
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

activity, and the potential for harm to people or the environment posed by the violation or activity.

(b) Any civil penalty shall be assessed in the following manner:

(1) The commissioner may issue an assessment against any person or entity responsible for the violation.

(2) Any person or entity against whom an assessment has been issued may secure a review of such assessment by filing with the commissioner a written petition setting forth the grounds and reasons for the objections, and asking for a hearing on the matter involved before the board. If a petition for review of the assessment is not filed within thirty (30) days after the date the assessment is served, the violator shall be deemed to have consented to the assessment and it shall become final.

(c) All fees and penalties assessed and collected under the provisions of this part shall be administered in the same manner as provided in Sections 68-203-101 -- 68-203-105.

SECTION 10. Any exercise of the state of Tennessee's grants of power to acquire water, water rights, and associated property by eminent domain or condemnation, and for the use or benefit of public water supply, shall not be made in a manner that conflicts with the Water Quality Control Act of 1977, Section 69-3-101 et seq., or this act and the regulations promulgated thereunder.

SECTION 11. Section 65-27-101 is amended by designating the existing language as subsection (a) and by adding the following new subsection:

Amendment No. 2 to HB3002

Ridgeway
Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 3074

House Bill No. 3002*

(b) Any exercise of the powers granted under this section is subject to
and shall not conflict with the Water Quality Control Act of 1977,
Section 69-3-101 et seq., or this act and the regulations promulgated thereunder.

SECTION 12. This act shall take effect upon becoming a law, the public welfare
requiring it.